

LEND-LEASE¹

*Agreement and exchange of notes signed at Washington March 2, 1943
Entered into force March 2, 1943*

Department of State files

AGREEMENT BETWEEN THE GOVERNMENTS OF THE UNITED STATES OF AMERICA AND THE REPUBLIC OF CHILE ON THE PRINCIPLES OF MUTUAL AID APPLICABLE TO THE COMMON DEFENSE OF THE AMERICAN CONTINENT

WHEREAS the Governments of the United States of America and the Republic of Chile declare that they are engaged in a cooperative undertaking, together with every other nation or people of like mind, to the end of laying the bases of a just and enduring world peace securing order under law to themselves and all nations;

WHEREAS, in conformity with the Declaration of Lima of December 24, 1938² and Declaration XV approved July 30, 1940³ at the Second Meeting of the Ministers of Foreign Affairs of the American Republics held at Habana, and in harmony with the spirit and purpose of the Third Meeting of the Ministers of Foreign Affairs of the American Republics held at Rio de Janeiro, the Governments of the United States of America and the Republic of Chile have determined to cooperate further in the defense of the security and integrity of all the American Republics against acts of aggression directed against any of them;

WHEREAS the President of the United States of America, pursuant to the Act of the Congress of the United States of America of March 11, 1941,⁴ and the President of the Republic of Chile have determined that the defense of each of the American Republics is vital to the defense of all of them; and

WHEREAS the Governments of the United States of America and the Republic of Chile are mutually desirous of concluding an Agreement for the

¹ Full settlement arranged by agreement of Feb. 28, 1950; final payment was made and reported in 32d Report to Congress on Lend-Lease Operations, p. 2.

² *Ante*, vol. 3, p. 534.

³ *Department of State Bulletin*, Aug. 24, 1940, p. 136.

⁴ 55 Stat. 31.

providing of defense articles and defense information by either country to the other country, and the making of such an Agreement has been in all respects duly authorized, and all acts, conditions and formalities which it may have been necessary to perform, fulfill or execute prior to the making of such an Agreement in conformity with the laws either of the United States of America or of the Republic of Chile have been performed, fulfilled or executed as required;

The undersigned, being duly authorized by their respective Governments for that purpose, have agreed as follows:

ARTICLE I

The Government of the United States of America will supply the Government of the Republic of Chile with such armaments and munitions of war as the President of the United States of America shall authorize to be transferred or provided.

ARTICLE II

Should circumstances arise in which the United States of America in its own defense or in the defense of the Americas shall require defense articles or defense information which the Republic of Chile is in a position to supply, the Government of the Republic of Chile will make such defense articles and defense information available to the United States of America, to the extent possible without harm to its economy and under terms to be agreed upon.

ARTICLE III

The Government of the Republic of Chile undertakes that it will not, without the consent of the President of the United States of America, transfer title to, or possession of, any defense article or defense information received under this Agreement, or permit the use thereof by anyone not an officer, employee, or agent of the Government of the Republic of Chile.

Similarly, the Government of the United States of America undertakes that it will not, without the consent of the President of the Republic of Chile, transfer title to or possession of any defense article or defense information received in accordance with Article II of this Agreement, or permit the use thereof by anyone not an officer, employee, or agent of the Government of the United States of America.

ARTICLE IV

If, as a result of the transfer to the Government of the Republic of Chile of any defense article or defense information, it is necessary for that Government to take any action or make any payment in order fully to protect any of the rights of any citizen of the United States of America who has patent rights in and to any such defense article or information, the Government of the

Republic of Chile will take such action or make such payment, when requested to do so by the President of the United States of America.

Similarly, if, as a result of the transfer to the Government of the United States of America of any defense article or defense information, it is necessary for that Government to take any action or make any payment in order fully to protect any of the rights of any citizen of the Republic of Chile who has patent rights in and to any such defense article or information, the Government of the United States of America will take such action or make such payment, when requested to do so by the President of the Republic of Chile.

ARTICLE V

The terms and conditions upon which each Government receives the aid provided under this Agreement by the other Government shall not burden commerce between the two countries, but shall promote mutually advantageous economic relations between them and the betterment of worldwide economic relations. To that end, the two Governments will make provision for agreed action by the United States of America and the Republic of Chile open to participation by all other countries of like mind, directed to the expansion, by appropriate international and domestic measures, of production, employment, and the exchange and consumption of goods, which are the material foundations of the liberty and welfare of all peoples; to the elimination of all forms of discriminatory treatment in international commerce and to the reduction of tariffs and other trade barriers; and, in general, to the attainment of all the economic objectives set forth in the Joint Declaration made on August 14, 1941,⁵ by the President of the United States of America and the Prime Minister of the United Kingdom.

At an early convenient date, conversations shall be begun between the two Governments with a view to determining, in the light of governing economic conditions, the best means of attaining the above-stated objectives by their own agreed action and of seeking the agreed action of other like-minded Governments.

Certain terms and conditions upon which each Government receives certain specified items provided under the Agreement by the other Government are set forth in the attached exchange of notes, which is an integral part of this Agreement.

⁵ EAS 236, *ante*, vol. 3, p. 686.

ARTICLE VI

This Agreement shall continue in force from the date on which it is signed until a date agreed upon between the two Governments.

Signed and sealed in Washington, in the English and Spanish languages, in duplicate, this second day of March, 1943.

For the Government of the United States of America:
SUMNER WELLES [SEAL]
Acting Secretary of State
of the United States of America

For the Government of the Republic of Chile:
R. MICHELS [SEAL]
Ambassador Extraordinary and Plenipotentiary
of the Republic of Chile in Washington

EXCHANGE OF NOTES

The Acting Secretary of State to the Chilean Ambassador

MARCH 2, 1943

EXCELLENCY:

I have the honor to refer to the conversations between the representatives of the Governments of the United States of America and the Republic of Chile in connection with the Agreement between the two Governments on the Principles of Mutual Aid Applicable to the Common Defense of the American Continent, signed this day.

The conversations referred to have disclosed a mutual understanding on the part of the Governments of the United States of America and the Republic of Chile with respect to the application of the provisions of the Agreement, as follows:

1. The Government of the United States of America will endeavor, subject to unforeseen contingencies and within the limits imposed upon it by law and by other military demands, to transfer to the Government of the Republic of Chile during the present emergency armaments and munitions of war to a total scheduled cost of about \$50,000,000.

2. In respect of defense articles or information transferred to the Government of the Republic of Chile pursuant to paragraph 1, above, the Government of the United States of America agrees to accord to the Government of the Republic of Chile a reduction of 70 percent in the scheduled cost of such articles or information, and the Government of the Republic of Chile promises to pay in dollars into the Treasury of the United States of America 30 percent of the scheduled cost of the defense articles or information de-

livered. The Government of the Republic of Chile shall not be required to pay more than a total of \$2,500,000 before January 1, 1944, more than a total of \$5,000,000 before January 1, 1945, more than a total of \$7,500,000 before January 1, 1946, more than a total of \$10,000,000 before January 1, 1947, more than a total of \$12,500,000 before January 1, 1948, or more than a total of \$15,000,000 before January 1, 1949.

3. The Government of the Republic of Chile may return to the United States of America at the end of the present emergency as determined by the President of the United States of America such defense articles transferred pursuant to paragraph 1, above, as shall be determined by the President of the United States of America in consultation with the President of the Republic of Chile to be useful in the defense of the United States of America, and upon the return of such defense articles to the United States of America the Government of the Republic of Chile shall be credited for any sums paid or for any sums which it is obligated to pay for such defense articles under the terms of paragraph 2, above.

4. With reference to Article II of the Agreement signed this day, such defense aid as may be rendered to the United States of America by the Republic of Chile shall, upon mutual agreement of the two Governments as to the evaluation of such aid, be credited to the account of the Government of the Republic of Chile for any sums paid, or for any sums which it is obligated to pay, under the terms of paragraph 2, above.

5. Any defense articles or defense information which have been transferred to the Government of the Republic of Chile by the Government of the United States of America prior to the signing of the Agreement and mutually understood by the two Governments to be subject to the terms and conditions of an agreement for the providing of defense articles and defense information by either country to the other country to be concluded by the two Governments, shall be included within and subject to the terms and conditions of this Agreement and of paragraphs 1, 2, 3, and 4 above.

6. Article IV of the Agreement, which is required by the terms of Section 7 of the Act of the Congress of the United States of America of March 11, 1941, is now being studied by the Department of State and by other interested agencies of the Government of the United States of America and as soon as these studies are concluded the Government of the United States of America will attempt to clarify the meaning of that Article if under applicable laws such clarification is now feasible. At the present time the Government of the United States of America assures the Government of the Republic of Chile that it is unlikely that the Government of the Republic of Chile will be requested to meet any financial liabilities under that Article.

7. If the amount of defense articles provided for in paragraph 1, above, is found not to meet the needs of the Republic of Chile, consideration shall be

given by the Government of the United States of America to an increase of the amount provided for, on the same terms and conditions set forth herein.

I would appreciate receiving Your Excellency's confirmation of the correctness of this understanding.

Accept, Excellency, the renewed assurances of my highest consideration.

SUMNER WELLES
Acting Secretary of State

His Excellency
Señor DON RODOLFO MICHELS,
Ambassador of Chile.

The Chilean Ambassador to the Acting Secretary of State

[TRANSLATION]

EMBASSY OF CHILE
WASHINGTON

No. 458/53

MARCH 2, 1943

EXCELLENCY:

I have the honor to refer to the conversations between the representatives of the Governments of the Republic of Chile and the United States of America, in connection with the Agreement on the Principles of Mutual Aid Applicable to the Common Defense of the American Continent, signed this day, and Your Excellency's note of the same date.

The conversations referred to have disclosed a mutual understanding on the part of the Governments of the Republic of Chile and the United States of America with respect to the application of the provisions of the Agreement.

I have the honor to confirm to Your Excellency the details of this understanding, as follows:

[For text of understanding, see numbered paragraphs in U.S. note, above.]

I avail myself of this opportunity to repeat to Your Excellency the assurances of my highest and most distinguished consideration.

R. MICHELS
Ambassador of Chile

His Excellency SUMNER WELLES,
Acting Secretary of State of the United States of America,
Washington, D.C.